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Both the penalties and any defenses are affected items since neither meet the definition of a partnership item (i.e., an item under subtitle A). Penalties are under subtitle F. Penalties related to partnership items are nevertheless determined at the partnership level, except for partner level defenses such as the reasonable cause/good faith of the limited partners. The partnership's reasonable cause is determined at the partnership level based on the reasonable cause of its manager/general partner who engaged in the partnership transactions in a representative capacity.

[REDACTED]